

NUMBER	SUBJECT	DATE
2-98	Egyptian/TCN Contractor Employee Compensation Review Threshold	February 15, 1998

REFERENCE

Supersedes Contractor Notice 3-97

The purpose of this Notice is to provide the current compensation review threshold for Egyptian (CCN) and third country national (TCN) employees hired under USAID-direct contracts, using a revised methodology.

The AID Acquisition Regulations (AIDAR) state that compensation paid to CCNs and TCNs employed under a direct contract may not exceed the prevailing compensation paid to personnel performing comparable work at USAID/Egypt as determined by the Mission, unless otherwise approved by the Mission Director. USAID has revised its method of determining the maximum salary payable without approval to achieve approximate parity in taxable salaries (excluding bonuses and allowances). Using the FSN grade 12, step 13 ceiling established by the Mission, the maximum pre-tax salary for CCNs and TCNs employed under a direct contract (not including bonuses and allowances) is LE 145,600 per year (LE 560 or \$164.71 per day). This maximum is based on the sum of LE 111,379, current rate of pay at FSN grade 12, step 13 after ESI deduction, and LE 34,221, approximate salary taxes.

Approval of salaries exceeding the maximum set forth above requires an Action Memorandum prepared by the Technical Office, cleared by other appropriate offices and signed by the Mission Director. Considerations relevant to whether approval is granted include, at a minimum, evidence that a contractor has rigorously attempted to fill the minimum qualifications of the position within the salary cap and that it cannot be filled within the cap. Prior salary histories exceeding the cap will be scrutinized to ensure that they do not include allowances, per diem, or other burdening factors. Please refer any questions related to specific contracts to your Contracting Officer.



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